

FISCAL NOTE

SB 3650 – HB 3490

March 23, 2006

SUMMARY OF BILL: Creates the Department of Juvenile Justice and transfers all programs and services related to children adjudicated delinquent or unruly from the Department of Children's Services (DCS).

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$16,764,700

Other Fiscal Impact – There will be a loss of federal funding of \$4,699,466 from Title IV-E should the “unruly children” be moved from DCS to the new department. These children would then be classified as “delinquents” by the federal government and would not be eligible for the federal funds. If the Center for Medicare and Medicaid Services does not approve the use of Medicaid funds for targeted case management and administrative services, there would be a loss of federal funds of \$22,788,309.

Assumptions:

- Increase in state expenditures reflect the salaries and benefits of the commissioner, deputy commissioner, assistant commissioners and director-level staff positions required by this bill.
- Increase in state expenditures for the development of an information system separate from the TNKids System in DCS.
- Loss of federal funding for targeted case management and residential placement. TennCare provides 45% of the cost of targeted case management for DCS.
- Unruly children in state custody are part of the designated class in *Brian A. v. Sundquist Settlement Agreement* and caseload caps and placement restrictions would apply.
- 2,470 children in state custody would be affected by this bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director